

AMENDED IN SENATE JUNE 27, 2016

AMENDED IN SENATE JUNE 23, 2016

AMENDED IN SENATE JUNE 14, 2016

AMENDED IN ASSEMBLY APRIL 14, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1612

Introduced by Committee on Budget (Assembly Members Ting (Chair), Bloom, Bonta, Campos, Chiu, Cooper, Gordon, Holden, Irwin, McCarty, Mullin, Nazarian, O'Donnell, Rodriguez, Thurmond, and Williams)

January 7, 2016

An act to amend Section 51013.1 of, and to add Section 51015.6 to, the Government Code, to amend Section 44273 of the Health and Safety Code, to amend Section 1546.1 of the Penal Code, to amend Sections 3401 and 25751 of the Public Resources Code, and to amend Sections 379.6, 388, 399.20, and 2827.10 of, to add Sections 388.2 and 784.1 to, and to repeal Section 2834 of, the Public Utilities Code, relating to energy, and making an appropriation therefor, to take effect immediately, bill related to the budget.

LEGISLATIVE COUNSEL'S DIGEST

AB 1612, as amended, Committee on Budget. Public resources: energy.

(1) Under existing law, the Public Utilities Commission (PUC) has regulatory authority over public utilities. Existing law authorizes the PUC to fix the rates and charges for every public utility and requires that those rates and charges be just and reasonable. Existing law

authorizes certain public utilities, including gas corporations, to propose research and development programs and authorizes the PUC to allow inclusion of expenses for research and development in the public utility's rates. Existing law requires the PUC to consider specified guidelines in evaluating the research, development, and demonstration programs proposed by gas corporations.

The California Renewables Portfolio Standard Program requires the PUC to adopt policies and programs that promote the in-state production and distribution of biomethane. Existing law requires the PUC to adopt, by rule or order, standards for biomethane that specify the concentrations of constituents of concern that are reasonably necessary to protect public health and ensure pipeline integrity and safety, as specified, and requirements for monitoring, testing, reporting, and recordkeeping, as specified. Existing law requires a gas corporation to comply with those standards and requirements and requires that gas corporation tariffs condition access to common carrier pipelines on the applicable customer meeting those standards and requirements. Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the PUC is a crime.

This bill would request the California Council on Science and Technology to undertake and complete a study analyzing the regional and gas corporation specific issues relating to minimum heating value and maximum siloxane specifications adopted by the PUC for biomethane before it can be injected into common carrier gas pipelines. If the California Council on Science and Technology agrees to undertake and complete the study, the bill would require each gas corporation operating common carrier pipelines in California to proportionately contribute to the expenses to undertake the study with the cost recoverable in rates. The bill would authorize the PUC to modify certain available monetary incentives to allocate some of the incentive moneys to pay for the costs of the study so as to not further burden ratepayers with additional expense. If the California Council on Science and Technology agrees to undertake and complete the study, the bill would require the PUC, within 6 months of its completion, to reevaluate requirements and standards adopted for injection of biomethane into common carrier pipelines and, if appropriate, change those requirements and standards or adopt new requirements and standards, giving due deference to the conclusions and recommendations made in the study.

Existing law requires the PUC to direct the electrical corporations to collectively procure at least 250 megawatts of cumulative rated

generating capacity from developers of bioenergy projects that commence operation on or after June 1, 2013. Existing law requires the PUC, for each electrical corporation, to allocate shares of the 250 megawatts based on the ratio of each electrical corporation's peak demand compared to the total statewide peak demand. Existing law requires the PUC to allocate those 250 megawatts to electrical corporations from specified categories of bioenergy project types, with specified portions of that 250 megawatts to be allocated from each category. Existing law requires the PUC to encourage gas and electrical corporations to develop and offer programs and services to facilitate development of in-state biogas for a broad range of purposes. Existing law authorizes the PUC, in consultation with specified state agencies, if it finds that the categorical allocations of those 250 megawatts are not appropriate, to reallocate those 250 megawatts among those categories.

This bill would establish interconnection requirements for certain bioenergy projects from which generation capacity is to be procured pursuant to the above requirement. Because the above requirements would be codified in the act, this bill would impose a state-mandated local program by creating a new crime.

Existing law requires the PUC to require the administration, until January 1, 2021, of a self-generation incentive program for distributed generation resources and energy storage technologies. Existing law authorizes the PUC, in consultation with the State Energy Resources Conservation and Development Commission, to authorize the annual collection of not more than the amount authorized for the program in the 2008 calendar year.

This bill would increase the maximum annual collection the PUC may authorize for the program to double the amount authorized for the program in the 2008 calendar year.

The Green Tariff Shared Renewables Program requires a participating utility, defined as being an electrical corporation with 100,000 or more customers in California, to file with the PUC an application requesting approval of a tariff to implement a program enabling ratepayers to participate directly in offsite electrical generation facilities that use eligible renewable energy resources, consistent with certain legislative findings and statements of intent. Existing law requires the PUC, by July 1, 2014, to issue a decision concerning the participating utility's application, determining whether to approve or disapprove the application, with or without modifications. Existing law requires the

PUC, after notice and opportunity for public comment, to approve the application if the PUC determines that the proposed program is reasonable and consistent with the legislative findings and statements of intent and requires the PUC to require that a participating utility's Green Tariff shared renewables program be administered in accordance with specified provisions. Existing law repeals the program on January 1, 2019.

This bill would extend the operation of the program indefinitely. By extending the requirements of the Green Tariff Shared Renewables Program the bill would impose a state-mandated local program by extending the application of a crime.

Decisions of the PUC adopted the California Solar Initiative administered by electrical corporations and subject to the PUC's supervision. Existing law requires the PUC and the State Energy Resources Conservation and Development Commission (Energy Commission) to undertake certain steps in implementing the California Solar Initiative and requires the PUC to ensure that the total cost over the duration of the program does not exceed \$3,550,800,000. Existing law specifies that the financial components of the California Solar Initiative include the New Solar Homes Partnership Program, which is administered by the Energy Commission. Existing law requires the program to be funded by charges in the amount of \$400,000,000 collected from customers of the state's 3 largest electrical corporations. If moneys from the Renewable Resource Trust Fund for the program are exhausted, existing law authorizes the PUC, upon notification by the Energy Commission, to require those electrical corporations to continue the administration of the program pursuant to the guidelines established by the Energy Commission for the program until the \$400,000,000 monetary limit is reached. Existing law authorizes the PUC to determine whether a 3rd party, including the Energy Commission, should administer the electrical corporation's continuation of the program. Existing law establishes the Renewable Resource Trust Fund as a fund that is continuously appropriated, with certain exceptions for administrative expenses, in the State Treasury.

This bill would require, if the PUC orders a continuation of the New Solar Homes Partnership Program and determines that the Energy Commission should be the 3rd party administrator for the program, that any funding made available for the program be deposited into the Emerging Renewable Resources Account of the Renewable Resource Trust Fund and used for the program.

Existing law requires an electrical corporation to file with the PUC a standard tariff providing for net energy meeting for eligible fuel cell customer-generators and make the tariff available, on a first-come-first-served basis, until the total cumulative rated generating capacity of the eligible fuel cell electrical generating facilities receiving service pursuant to the tariff reaches a level equal to the electrical corporation's proportionate share of a statewide limitation of 500 megawatts cumulative rated generation capacity served (program cap). Existing law requires the eligible fuel cell customer-generator to meet certain requirements, including requirements that the customer-generator uses: (A) a fuel cell electrical generation facility with a capacity of not more than one megawatt and (B) technology the PUC has determined will achieve certain reductions in emissions of greenhouse gases. Existing law provides that fuel cell electrical generation facilities are not eligible for the tariff unless the facilities commence operation prior to January 1, 2017.

This bill would increase the program cap by authorizing 500 megawatts in addition to the total installed capacity as of January 1, 2017. The bill would ~~make increase to 5 megawatts the maximum amount of generation of capacity for a fuel cell electrical generation facility that may be included in the program.~~ The bill would require, by March 31, 2017, the State Air Resources Board, in consultation with the Energy Commission, to establish a schedule of annual greenhouse gas emissions reduction standards, as specified, for fuel cell electrical generation resources and would require the PUC to determine if the technology used by the eligible fuel cell customer-generator will achieve those standards. The bill would require the fuel cell electrical generation resource to comply with emission standards adopted by the State Air Resources Board under the distributed generation certification program.

This bill would provide that fuel cell electrical generation facilities are not eligible for the tariff unless the facilities commence operation on or before December 31, 2021.

(2) The Public Utilities Act requires the PUC to submit various reports to the Legislature relative to the actions of the PUC.

This bill would require the PUC to submit 2 reports to the relevant policy and fiscal committees of the Legislature by March 1, 2017. The first report would pertain to the PUC's business process inventory efforts. The 2nd report would concern options to locate operations and staff outside of the PUC's San Francisco headquarters and would explore options to allow the PUC to collaborate with other state entities and

provide staff more opportunities for training, career development, and exchange placements with other state entities.

Existing law, with exceptions, prohibits a government entity from compelling the production of or access to electronic communication information or electronic device information without a search warrant, wiretap order, order for electronic reader records, or subpoena.

This bill would provide that the above provisions do not limit the authority of the PUC or the Energy Commission to obtain energy or water supply and consumption information pursuant to the powers granted to them under the Public Utilities Code or the Public Resources Code and other applicable state laws.

(3) Existing law authorizes the Department of General Services or any other state or local agency intending to enter into an energy savings contract to establish a pool of qualified energy service companies, as specified. Existing law authorizes energy service contracts for individual projects undertaken by any state or local agency to be awarded through a competitive selection process to those companies identified in the pool.

This bill would authorize the department or another state or local agency intending to enter into contracts for energy retrofit projects, as defined, to establish one of those pools. The bill would, until January 1, 2020, authorize the department and other state agencies to establish one or more pools of qualified energy service companies, as defined, that have provided the department or state agency with a specific enforceable commitment regarding the use of a skilled and trained workforce. The bill would authorize the department or state agency to select a qualified energy service company from that pool for a specific energy retrofit project on a rotational basis. The bill would require those qualified energy service companies working on a contract or project to submit a monthly report to the department or state agency, as appropriate, demonstrating their compliance with the commitment regarding the use of a skilled and trained workforce.

(4) The Elder California Pipeline Safety Act of 1981, among other things, by January 1, 2018, requires any new or replacement pipeline that is near environmentally or ecological by sensitive areas to use the best technology available to reduce the amount of oil released in a spill, as specified. Existing law requires operators of existing pipelines near these areas to submit a plans by January 1, 2018, to retrofit those pipelines for these purposes using the best available technology by January 1, 2020. A violation of these provisions is a crime.

This bill would define “oil” for these provisions of the act concerning pipeline safety, by reference to a specified federal regulation, to mean petroleum, petroleum products, anhydrous ammonia, and ethanol. By expanding the scope of a crime, the bill would impose a state-mandated local program.

Under the Elder California Pipeline Safety Act of 1981, the State Fire Marshal administers provisions regulating the inspection of intrastate pipelines that transport hazardous liquids.

This bill would require the State Fire Marshal, on or before January 31, 2017, and on or before January 31 annually thereafter until January 31, 2021, to submit a report to the Legislature containing specified information regarding the inspection of those pipelines, shutoff systems in those pipelines, and the status of 2 specified pipelines.

(5) Existing law imposes, among other things, an annual charge upon each person operating or owning an interest in an oil or gas well, with respect to the production of the well, which charge is payable to the Treasurer for deposit into the Oil, Gas, and Geothermal Administrative Fund. Existing law requires that moneys from charges levied, assessed, and collected upon the properties of every person operating or owning an interest in the production of a well be used exclusively, upon appropriation, for the support and maintenance of the Department of Conservation, which is charged with the supervision of oil and gas operations, and for the support of the State Water Resources Control Board and the regional water quality control boards for their activities related to oil and gas operations that may affect water resources.

This bill would additionally authorize the use of those moneys for the support of the State Air Resources Board and the Office of Environmental Health Hazard Assessment for their activities related to oil and gas operations that may affect air quality, public health, or public safety.

(6) Existing law establishes the Alternative and Renewable Fuel and Vehicle Technology Program, administered by the Energy Commission, to provide to specified entities, upon appropriation by the Legislature, grants, loans, loan guarantees, revolving loans, or other appropriate measures for the development and deployment of innovative technologies that transform California’s fuel and vehicle types to help attain the state’s climate change goals. Existing law establishes the Alternative and Renewable Fuel and Vehicle Technology Fund, moneys in which are to be expended by the Energy Commission, upon appropriation, to implement the program. Existing law creates the Public

Interest Research, Development, and Demonstration Fund in the State Treasury and required that specified moneys collected by the state's 3 largest electrical corporations, until January 1, 2012, be paid into the Public Interest Research, Development, and Demonstration Fund. Existing law requires \$10,000,000 to be transferred annually from the Public Interest Research, Development, and Demonstration Fund to the Alternative and Renewable Fuel and Vehicle Technology Fund.

This bill would repeal the requirement that \$10,000,000 be transferred annually from the Public Interest Research, Development, and Demonstration Fund to the Alternative and Renewable Fuel and Vehicle Technology Fund.

(7) Existing law vests with the Energy Commission jurisdiction over specified matters related to energy. Existing law requires the Attorney General, upon the request of the Energy Commission, to petition a court of competent jurisdiction to enjoin violations of law that are within the subject matter of the Energy Commission. Existing law requires the Energy Commission to prescribe, by regulation, building design and construction standards, energy and water efficiency design standards for new residential and nonresidential buildings, and appliance efficiency standards. Existing law authorizes the Energy Commission to establish an administrative enforcement process to enforce the appliance efficiency standards. Existing law establishes the Appliance Efficiency Enforcement Subaccount in the Energy Resources Program Account for the deposition of the penalties collected. Existing law authorizes the moneys subaccount to be expended by the Energy Commission, upon appropriation by the Legislature, for the education of the public regarding appliance energy efficiency and for the enforcement of specified regulations.

This bill would appropriate \$275,000 from the Appliance Efficiency Enforcement Subaccount in the Energy Resources Programs Account to the Energy Commission to support the Title 20 Appliance Efficiency Standards Compliance Assistance and Enforcement Program.

(8) Because certain provisions of this bill would be part of the Public Utilities Act, the violation of which is a crime, this bill would impose a state-mandated local program.

(9) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(10) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

Vote: majority. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 51013.1 of the Government Code is
2 amended to read:

3 51013.1. (a) By January 1, 2018, any new or replacement
4 pipeline near environmentally and ecologically sensitive areas in
5 the coastal zone shall use best available technology, including, but
6 not limited to, the installation of leak detection technology,
7 automatic shutoff systems, or remote controlled sectionalized block
8 valves, or any combination of these technologies, based on a risk
9 analysis conducted by the operator, to reduce the amount of oil
10 released in an oil spill to protect state waters and wildlife.

11 (b) (1) By July 1, 2018, an operator of an existing pipeline near
12 environmentally and ecologically sensitive areas in the coastal
13 zone shall submit a plan to retrofit, by January 1, 2020, existing
14 pipelines near environmentally and ecologically sensitive areas in
15 the coastal zone with the best available technology, including, but
16 not limited to, installation of leak detection technologies, automatic
17 shutoff systems, or remote controlled sectionalized block valves,
18 or any combination of these technologies, based on a risk analysis
19 conducted by the operator to reduce the amount of oil released in
20 an oil spill to protect state waters and wildlife.

21 (2) An operator may request confidential treatment of
22 information submitted in the plan required by paragraph (1) or
23 contained in any documents associated with the risk analysis
24 described in this section, including, but not limited to, information
25 regarding the proposed location of automatic shutoff valves or
26 remote controlled sectionalized block valves.

27 (c) The State Fire Marshal shall adopt regulations pursuant to
28 this section by July 1, 2017. The regulations shall include, but not
29 be limited to, all of the following:

30 (1) A definition of automatic shutoff systems.

31 (2) A process to assess the adequacy of the operator's risk
32 analysis.

(3) A process by which an operator may request confidential treatment of information submitted in the plan required by paragraph (1) of subdivision (b) or contained in any documents associated with the risk analysis described in this section.

(4) A determination of how near to an environmentally and ecologically sensitive area a pipeline must be to be subject to the requirements of this section based on the likelihood of the pipeline impacting those areas.

(d) An operator of a pipeline near environmentally and ecologically sensitive areas in the coastal zone shall notify the Office of the State Fire Marshal of any new construction or retrofit of pipeline in these waters.

(e) For purposes of implementing this section, the State Fire Marshal shall consult with the Office of Spill Prevention and Response about the potential impacts to state water and wildlife.

(f) For purposes of this section, “environmentally and ecologically sensitive areas” is the same term as described in subdivision (d) of Section 8574.7.

(g) (1) For purposes of this section, “best available technology” means technology that provides the greatest degree of protection by limiting the quantity of release in the event of a spill, taking into consideration whether the processes are currently in use and could be purchased anywhere in the world.

(2) The State Fire Marshal shall determine what is the best available technology and shall consider the effectiveness and engineering feasibility of the technology when making this determination.

(h) For the purposes of this section, “oil” means hazardous liquid as defined in Section 195.2 of Title 49 of the Code of the Federal Regulations.

SEC. 2. Section 51015.6 is added to the Government Code, to read:

51015.6. (a) On or before January 31, 2017, and on or before January 31 annually thereafter, the State Fire Marshal shall submit a report to the Legislature containing information, including, but not limited to, all of the following:

(1) The number of annual inspections conducted pursuant to Section 51015.1.

(2) The status of the installation of automatic shutoff systems pursuant to Section 51013.1, including a summary of the types of

1 shutoff systems installed, and the number of miles of pipeline
2 covered by an automatic shutoff system.

3 (3) The status of Line 901 and Line 903 in the County of Santa
4 Barbara.

5 (b) (1) A report required to be submitted pursuant to subdivision
6 (a) shall be submitted in compliance with Section 9795.

7 (2) Pursuant to Section 10231.5, this section is inoperative on
8 January 31, 2021.

9 SEC. 3. Section 44273 of the Health and Safety Code is
10 amended to read:

11 44273. (a) The Alternative and Renewable Fuel and Vehicle
12 Technology Fund is hereby created in the State Treasury, to be
13 administered by the commission. The moneys in the fund, upon
14 appropriation by the Legislature, shall be expended by the
15 commission to implement the Alternative and Renewable Fuel and
16 Vehicle Technology Program in accordance with this chapter.

17 (b) Beginning with the integrated energy policy report adopted
18 in 2011, and in the subsequent reports adopted thereafter, pursuant
19 to Section 25302 of the Public Resources Code, the commission
20 shall include an evaluation of research, development, and
21 deployment efforts funded by this chapter. The evaluation shall
22 include all of the following:

23 (1) A list of projects funded by the Alternative and Renewable
24 Fuel and Vehicle Technology Fund.

25 (2) The expected benefits of the projects in terms of air quality,
26 petroleum use reduction, greenhouse gas emissions reduction,
27 technology advancement, benefit-cost assessment, and progress
28 towards achieving these benefits.

29 (3) The overall contribution of the funded projects toward
30 promoting a transition to a diverse portfolio of clean, alternative
31 transportation fuels and reduced petroleum dependency in
32 California.

33 (4) Key obstacles and challenges to meeting these goals
34 identified through funded projects.

35 (5) Recommendations for future actions.

36 SEC. 4. Section 1546.1 of the Penal Code is amended to read:

37 1546.1. (a) Except as provided in this section, a government
38 entity shall not do any of the following:

39 (1) Compel the production of or access to electronic
40 communication information from a service provider.

1 (2) Compel the production of or access to electronic device
2 information from any person or entity other than the authorized
3 possessor of the device.

4 (3) Access electronic device information by means of physical
5 interaction or electronic communication with the electronic device.
6 This section does not prohibit the intended recipient of an electronic
7 communication from voluntarily disclosing electronic
8 communication information concerning that communication to a
9 government entity.

10 (b) A government entity may compel the production of or access
11 to electronic communication information from a service provider,
12 or compel the production of or access to electronic device
13 information from any person or entity other than the authorized
14 possessor of the device only under the following circumstances:

15 (1) Pursuant to a warrant issued pursuant to Chapter 3
16 (commencing with Section 1523) and subject to subdivision (d).

17 (2) Pursuant to a wiretap order issued pursuant to Chapter 1.4
18 (commencing with Section 629.50) of Title 15 of Part 1.

19 (3) Pursuant to an order for electronic reader records issued
20 pursuant to Section 1798.90 of the Civil Code.

21 (4) Pursuant to a subpoena issued pursuant to existing state law,
22 provided that the information is not sought for the purpose of
23 investigating or prosecuting a criminal offense, and compelling
24 the production of or access to the information via the subpoena is
25 not otherwise prohibited by state or federal law. Nothing in this
26 paragraph shall be construed to expand any authority under state
27 law to compel the production of or access to electronic information.

28 (c) A government entity may access electronic device
29 information by means of physical interaction or electronic
30 communication with the device only as follows:

31 (1) Pursuant to a warrant issued pursuant to Chapter 3
32 (commencing with Section 1523) and subject to subdivision (d).

33 (2) Pursuant to a wiretap order issued pursuant to Chapter 1.4
34 (commencing with Section 629.50) of Title 15 of Part 1.

35 (3) With the specific consent of the authorized possessor of the
36 device.

37 (4) With the specific consent of the owner of the device, only
38 when the device has been reported as lost or stolen.

1 (5) If the government entity, in good faith, believes that an
2 emergency involving danger of death or serious physical injury to
3 any person requires access to the electronic device information.

4 (6) If the government entity, in good faith, believes the device
5 to be lost, stolen, or abandoned, provided that the entity shall only
6 access electronic device information in order to attempt to identify,
7 verify, or contact the owner or authorized possessor of the device.

8 (7) Except where prohibited by state or federal law, if the device
9 is seized from an inmate's possession or found in an area of a
10 correctional facility under the jurisdiction of the Department of
11 Corrections and Rehabilitation where inmates have access and the
12 device is not in the possession of an individual and the device is
13 not known or believed to be the possession of an authorized visitor.
14 Nothing in this paragraph shall be construed to supersede or
15 override Section 4576.

16 (d) Any warrant for electronic information shall comply with
17 the following:

18 (1) The warrant shall describe with particularity the information
19 to be seized by specifying the time periods covered and, as
20 appropriate and reasonable, the target individuals or accounts, the
21 applications or services covered, and the types of information
22 sought.

23 (2) The warrant shall require that any information obtained
24 through the execution of the warrant that is unrelated to the
25 objective of the warrant shall be sealed and not subject to further
26 review, use, or disclosure without a court order. A court shall issue
27 such an order upon a finding that there is probable cause to believe
28 that the information is relevant to an active investigation, or review,
29 use, or disclosure is required by state or federal law.

30 (3) The warrant shall comply with all other provisions of
31 California and federal law, including any provisions prohibiting,
32 limiting, or imposing additional requirements on the use of search
33 warrants. If directed to a service provider, the warrant shall be
34 accompanied by an order requiring the service provider to verify
35 the authenticity of electronic information that it produces by
36 providing an affidavit that complies with the requirements set forth
37 in Section 1561 of the Evidence Code. Admission of that
38 information into evidence shall be subject to Section 1562 of the
39 Evidence Code.

(e) When issuing any warrant or order for electronic information, or upon the petition from the target or recipient of the warrant or order, a court may, at its discretion, do any or all of the following:

(1) Appoint a special master, as described in subdivision (d) of Section 1524, charged with ensuring that only information necessary to achieve the objective of the warrant or order is produced or accessed.

(2) Require that any information obtained through the execution of the warrant or order that is unrelated to the objective of the warrant be destroyed as soon as feasible after the termination of the current investigation and any related investigations or proceedings.

(f) A service provider may voluntarily disclose electronic communication information or subscriber information when that disclosure is not otherwise prohibited by state or federal law.

(g) If a government entity receives electronic communication information voluntarily provided pursuant to subdivision (f), it shall destroy that information within 90 days unless one or more of the following circumstances apply:

(1) The entity has or obtains the specific consent of the sender or recipient of the electronic communications about which information was disclosed.

(2) The entity obtains a court order authorizing the retention of the information. A court shall issue a retention order upon a finding that the conditions justifying the initial voluntary disclosure persist, in which case the court shall authorize the retention of the information only for so long as those conditions persist, or there is probable cause to believe that the information constitutes evidence that a crime has been committed.

(3) The entity reasonably believes that the information relates to child pornography and the information is retained as part of a multiagency database used in the investigation of child pornography and related crimes.

(h) If a government entity obtains electronic information pursuant to an emergency involving danger of death or serious physical injury to a person, that requires access to the electronic information without delay, the entity shall, within three days after obtaining the electronic information, file with the appropriate court an application for a warrant or order authorizing obtaining the electronic information or a motion seeking approval of the

1 emergency disclosures that shall set forth the facts giving rise to
2 the emergency, and if applicable, a request supported by a sworn
3 affidavit for an order delaying notification under paragraph (1) of
4 subdivision (b) of Section 1546.2. The court shall promptly rule
5 on the application or motion and shall order the immediate
6 destruction of all information obtained, and immediate notification
7 pursuant to subdivision (a) of Section 1546.2 if such notice has
8 not already been given, upon a finding that the facts did not give
9 rise to an emergency or upon rejecting the warrant or order
10 application on any other ground.

11 (i) This section does not limit the authority of a government
12 entity to use an administrative, grand jury, trial, or civil discovery
13 subpoena to do any of the following:

14 (1) Require an originator, addressee, or intended recipient of
15 an electronic communication to disclose any electronic
16 communication information associated with that communication.

17 (2) Require an entity that provides electronic communications
18 services to its officers, directors, employees, or agents for the
19 purpose of carrying out their duties, to disclose electronic
20 communication information associated with an electronic
21 communication to or from an officer, director, employee, or agent
22 of the entity.

23 (3) Require a service provider to provide subscriber information.

24 (j) This section does not limit the authority of the Public Utilities
25 Commission or the Energy Commission to obtain energy or water
26 supply and consumption information pursuant to the powers
27 granted to them under the Public Utilities Code or the Public
28 Resources Code and other applicable state laws.

29 SEC. 5. Section 3401 of the Public Resources Code is amended
30 to read:

31 3401. (a) The proceeds of charges levied, assessed, and
32 collected pursuant to this article upon the properties of every person
33 operating or owning an interest in the production of a well shall
34 be used exclusively for the support and maintenance of the
35 department charged with the supervision of oil and gas operations,
36 for the State Water Resources Control Board and the regional water
37 quality control boards for their activities related to oil and gas
38 operations that may affect water resources, and for the support of
39 the State Air Resources Board and the Office of Environmental
40 Health Hazard Assessment for their activities related to oil and

1 gas operations that may affect air quality, public health, or public
2 safety.

3 (b) Notwithstanding subdivision (a), the proceeds of charges
4 levied, assessed, and collected pursuant to this article upon the
5 properties of every person operating or owning an interest in the
6 production of a well undergoing a well stimulation treatment, may
7 be used by public entities, subject to appropriation by the
8 Legislature, for all costs associated with both of the following:

9 (1) Well stimulation treatments, including rulemaking and
10 scientific studies required to evaluate the treatment, inspections,
11 any air and water quality sampling, monitoring, and testing
12 performed by public entities.

13 (2) The costs of the State Water Resources Control Board and
14 the regional water quality control boards in carrying out their
15 responsibilities pursuant to Section 3160 and Section 10783 of the
16 Water Code.

17 SEC. 6. Section 25751 of the Public Resources Code is
18 amended to read:

19 25751. (a) The Renewable Resource Trust Fund is hereby
20 created in the State Treasury.

21 (b) The Emerging Renewable Resources Account is hereby
22 established within the Renewable Resources Trust Fund.
23 Notwithstanding Section 13340 of the Government Code, the
24 moneys in the account are hereby continuously appropriated to
25 the commission without regard to fiscal years for the following
26 purposes:

27 (1) To close out the award of incentives for emerging
28 technologies in accordance with former Section 25744, as this law
29 existed prior to the enactment of the Budget Act of 2012, for which
30 applications had been approved before the enactment of the Budget
31 Act of 2012.

32 (2) To close out consumer education activities in accordance
33 with former Section 25746, as this law existed prior to the
34 enactment of the Budget Act of 2012.

35 (3) To provide funding for the New Solar Homes Partnership
36 pursuant to paragraph (3) of subdivision (e) of Section 2851 of the
37 Public Utilities Code.

38 (c) The Controller shall provide to the commission funds
39 pursuant to the continuous appropriation in, and for purposes
40 specified in, subdivision (b).

1 (d) The Controller shall provide to the commission moneys
2 from the fund sufficient to satisfy all contract and grant awards
3 that were made by the commission pursuant to former Sections
4 25744 and 25746, and Chapter 8.8 (commencing with Section
5 25780), as these laws existed prior to the enactment of the Budget
6 Act of 2012.

7 (e) If the Public Utilities Commission determines that the
8 commission should be the third-party administrator for the New
9 Solar Homes Partnership Program pursuant to subparagraph (A)
10 of paragraph (3) of subdivision (e) of Section 2851 of the Public
11 Utilities Code, any moneys made available to fund the New Solar
12 Homes Partnership Program shall be deposited into the Emerging
13 Renewable Resources Account of the Renewable Resource Trust
14 Fund and used for this purpose.

15 SEC. 7. Section 379.6 of the Public Utilities Code is amended
16 to read:

17 379.6. (a) (1) It is the intent of the Legislature that the
18 self-generation incentive program increase deployment of
19 distributed generation and energy storage systems to facilitate the
20 integration of those resources into the electrical grid, improve
21 efficiency and reliability of the distribution and transmission
22 system, and reduce emissions of greenhouse gases, peak demand,
23 and ratepayer costs. It is the further intent of the Legislature that
24 the commission, in future proceedings, provide for an equitable
25 distribution of the costs and benefits of the program.

26 (2) The commission, in consultation with the Energy
27 Commission, may authorize the annual collection of not more than
28 double the amount authorized for the self-generation incentive
29 program in the 2008 calendar year, through December 31, 2019.
30 The commission shall require the administration of the program
31 for distributed energy resources originally established pursuant to
32 Chapter 329 of the Statutes of 2000 until January 1, 2021. On
33 January 1, 2021, the commission shall provide repayment of all
34 unallocated funds collected pursuant to this section to reduce
35 ratepayer costs.

36 (3) The commission shall administer solar technologies
37 separately, pursuant to the California Solar Initiative adopted by
38 the commission in Decisions 05-12-044 and 06-01-024, as modified
39 by Article 1 (commencing with Section 2851) of Chapter 9 of Part

1 2 of Division 1 of this code and Chapter 8.8 (commencing with
2 Section 25780) of Division 15 of the Public Resources Code.

3 (b) (1) Eligibility for incentives under the self-generation
4 incentive program shall be limited to distributed energy resources
5 that the commission, in consultation with the State Air Resources
6 Board, determines will achieve reductions in emissions of
7 greenhouse gases pursuant to the California Global Warming
8 Solutions Act of 2006 (Division 25.5 (commencing with Section
9 38500) of the Health and Safety Code).

10 (2) On or before July 1, 2015, the commission shall update the
11 factor for avoided greenhouse gas emissions based on the most
12 recent data available to the State Air Resources Board for
13 greenhouse gas emissions from electricity sales in the
14 self-generation incentive program administrators' service areas as
15 well as current estimates of greenhouse gas emissions over the
16 useful life of the distributed energy resource, including
17 consideration of the effects of the California Renewables Portfolio
18 Standard.

19 (c) Eligibility for the funding of any combustion-operated
20 distributed generation projects using fossil fuel is subject to all of
21 the following conditions:

22 (1) An oxides of nitrogen (NO_x) emissions rate standard of 0.07
23 pounds per megawatthour and a minimum efficiency of 60 percent,
24 or any other NO_x emissions rate and minimum efficiency standard
25 adopted by the State Air Resources Board. A minimum efficiency
26 of 60 percent shall be measured as useful energy output divided
27 by fuel input. The efficiency determination shall be based on 100
28 percent load.

29 (2) Combined heat and power units that meet the 60-percent
30 efficiency standard may take a credit to meet the applicable NO_x
31 emissions standard of 0.07 pounds per megawatthour. Credit shall
32 be at the rate of one megawatthour for each 3,400,000 British
33 thermal units (Btus) of heat recovered.

34 (3) The customer receiving incentives shall adequately maintain
35 and service the combined heat and power units so that during
36 operation the system continues to meet or exceed the efficiency
37 and emissions standards established pursuant to paragraphs (1)
38 and (2).

1 (4) Notwithstanding paragraph (1), a project that does not meet
2 the applicable NO_x emissions standard is eligible if it meets both
3 of the following requirements:

4 (A) The project operates solely on waste gas. The commission
5 shall require a customer that applies for an incentive pursuant to
6 this paragraph to provide an affidavit or other form of proof that
7 specifies that the project shall be operated solely on waste gas.
8 Incentives awarded pursuant to this paragraph shall be subject to
9 refund and shall be refunded by the recipient to the extent the
10 project does not operate on waste gas. As used in this paragraph,
11 “waste gas” means natural gas that is generated as a byproduct of
12 petroleum production operations and is not eligible for delivery
13 to the utility pipeline system.

14 (B) The air quality management district or air pollution control
15 district, in issuing a permit to operate the project, determines that
16 operation of the project will produce an onsite net air emissions
17 benefit compared to permitted onsite emissions if the project does
18 not operate. The commission shall require the customer to secure
19 the permit prior to receiving incentives.

20 (d) In determining the eligibility for the self-generation incentive
21 program, minimum system efficiency shall be determined either
22 by calculating electrical and process heat efficiency as set forth in
23 Section 216.6, or by calculating overall electrical efficiency.

24 (e) Eligibility for incentives under the program shall be limited
25 to distributed energy resource technologies that the commission
26 determines meet all of the following requirements:

27 (1) The distributed energy resource technology shifts onsite
28 energy use to off-peak time periods or reduces demand from the
29 grid by offsetting some or all of the customer’s onsite energy load,
30 including, but not limited to, peak electric load.

31 (2) The distributed energy resource technology is commercially
32 available.

33 (3) The distributed energy resource technology safely utilizes
34 the existing transmission and distribution system.

35 (4) The distributed energy resource technology improves air
36 quality by reducing criteria air pollutants.

37 (f) Recipients of the self-generation incentive program funds
38 shall provide relevant data to the commission and the State Air
39 Resources Board, upon request, and shall be subject to onsite
40 inspection to verify equipment operation and performance,

1 including capacity, thermal output, and usage to verify criteria air
2 pollutant and greenhouse gas emissions performance.

3 (g) In administering the self-generation incentive program, the
4 commission shall determine a capacity factor for each distributed
5 generation system energy resource technology in the program.

6 (h) (1) In administering the self-generation incentive program,
7 the commission may adjust the amount of rebates and evaluate
8 other public policy interests, including, but not limited to,
9 ratepayers, energy efficiency, peak load reduction, load
10 management, and environmental interests.

11 (2) The commission shall consider the relative amount and the
12 cost of greenhouse gas emissions reductions, peak demand
13 reductions, system reliability benefits, and other measurable factors
14 when allocating program funds between eligible technologies.

15 (i) The commission shall ensure that distributed generation
16 resources are made available in the program for all ratepayers.

17 (j) In administering the self-generation incentive program, the
18 commission shall provide an additional incentive of 20 percent
19 from existing program funds for the installation of eligible
20 distributed generation resources manufactured in California.

21 (k) The costs of the program adopted and implemented pursuant
22 to this section shall not be recovered from customers participating
23 in the California Alternate Rates for Energy (CARE) program.

24 (l) The commission shall evaluate the overall success and impact
25 of the self-generation incentive program based on the following
26 performance measures:

27 (1) The amount of reductions of emissions of greenhouse gases.

28 (2) The amount of reductions of emissions of criteria air
29 pollutants measured in terms of avoided emissions and reductions
30 of criteria air pollutants represented by emissions credits secured
31 for project approval.

32 (3) The amount of energy reductions measured in energy value.

33 (4) The amount of reductions of customer peak demand.

34 (5) The ratio of the electricity generated by distributed energy
35 resource generation projects receiving incentives from the program
36 to the electricity capable of being produced by those projects,
37 commonly known as a capacity factor.

38 (6) The value to the electrical transmission and distribution
39 system measured in avoided costs of transmission and distribution
40 upgrades and replacement.

1 (7) The ability to improve onsite electricity reliability as
2 compared to onsite electricity reliability before the self-generation
3 incentive program technology was placed in service.

4 SEC. 8. Section 388 of the Public Utilities Code is amended
5 to read:

6 388. (a) Notwithstanding any other provision of law, a state
7 agency may enter into an energy savings contract with a qualified
8 energy service company for the purchase or exchange of thermal
9 or electrical energy or water, or to acquire energy efficiency or
10 water conservation services, or both energy efficiency and water
11 conservation services for a term not exceeding 35 years, at rates
12 and upon those terms approved by the agency.

13 (b) The Department of General Services or any other state or
14 local agency intending to enter into an energy savings contract or
15 a contract for an energy retrofit project may establish a pool of
16 qualified energy service companies based on qualifications,
17 experience, pricing, or other pertinent factors. Energy service
18 contracts for individual projects undertaken by any state or local
19 agency may be awarded through a competitive selection process
20 to individuals or firms identified in the pool. The pool of qualified
21 energy service companies and contractors shall be reestablished
22 at least every two years or shall expire.

23 (c) For purposes of this section, the following definitions apply:

24 (1) (A) "Energy retrofit project" means a project for which the
25 state or local agency works with a qualified energy service
26 company to identify, develop, design, and implement energy
27 conservation measures in existing facilities to reduce energy or
28 water use or make more efficient use of energy or water.

29 (B) "Energy retrofit project" does not include the erection or
30 installation of a power generation system, a power purchase
31 agreement, or a project utilizing a site license or lease agreement.

32 (2) "Energy savings" means a measured and verified reduction
33 in fuel, energy, or water consumption when compared to an
34 established baseline of consumption.

35 (3) "Qualified energy service company" means a company with
36 a demonstrated ability to provide or arrange for building or facility
37 energy auditors, selection and design of appropriate energy savings
38 measures, project financing, implementation of these measures,
39 and maintenance and ongoing measurement of these measures as
40 to ensure and verify energy savings.

1 SEC. 9. Section 388.2 is added to the Public Utilities Code, to
2 read:

3 388.2. (a) For purposes of this section, the following
4 definitions apply:

5 (1) "Apprenticeable occupation" means an occupation for which
6 the chief has approved an apprenticeship program pursuant to
7 Section 3075 of the Labor Code before January 1, 2014.

8 (2) "Chief" means the Chief of the Division of Apprenticeship
9 Standards of the Department of Industrial Relations.

10 (3) "Department" means the Department of General Services.

11 (4) (A) "Energy retrofit project" means a project for which the
12 state works with a qualified energy service company to identify,
13 develop, design, and implement energy conservation measures in
14 existing facilities to reduce energy or water use or make more
15 efficient use of energy or water.

16 (B) "Energy retrofit project" does not include the erection or
17 installation of a power generation system, a power purchase
18 agreement, or a project utilizing a site license or lease agreement.

19 (5) "Energy savings" means a measured and verified reduction
20 in fuel, energy, or water consumption when compared to an
21 established baseline of consumption.

22 (6) "Enforceable commitment" means an enforceable agreement
23 with the department or state agency that the entity and its
24 subcontractors at every tier will comply with this section.

25 (7) (A) "Qualified energy service company" means a company
26 with a demonstrated ability to provide or arrange for building or
27 facility energy auditors, selection and design of appropriate energy
28 savings measures, project financing, implementation of these
29 measures, and maintenance and ongoing measurement of these
30 measures as to ensure and verify energy savings.

31 (B) An entity is not a qualified energy service company unless
32 the entity has provided to the agency an enforceable commitment
33 that the entity and its subcontractors at every tier will use a skilled
34 and trained workforce to perform all work on the project or contract
35 that falls within an apprenticeable occupation in the building and
36 construction trades.

37 (8) "Skilled and trained workforce" means a workforce that
38 meets all of the following conditions:

39 (A) All workers performing work in an apprenticeable
40 occupation in the building and construction trades are either skilled

1 journeypersons or apprentices in an apprenticeship program
2 approved by the chief.

3 (B) (i) Except as provided in clause (ii), at least 60 percent of
4 the skilled journeypersons employed to perform work on a contract
5 or project by every contractor and each of its subcontractors at
6 every tier are graduates of an apprenticeship program that was
7 either approved by the chief pursuant to Section 3075 of the Labor
8 Code, or an apprenticeship program located outside the state that
9 is approved pursuant to the apprenticeship regulations adopted by
10 the United States Secretary of Labor, for the applicable occupation.

11 (ii) For an apprenticeable occupation in which no apprenticeship
12 program had been approved by the chief before January 1, 1995,
13 up to one-half of the requirement in clause (i) may be satisfied by
14 skilled journeypersons who commenced working in an
15 apprenticeable occupation before the chief's approval of an
16 apprenticeship program in the county in which the project is
17 located.

18 (iii) The requirements of this subparagraph are satisfied if, in a
19 particular calendar month, either of the following is true:

20 (I) The percentage of the skilled journeypersons employed by
21 the contractor or subcontractor to perform work on the contract or
22 project is at least equal to 60 percent.

23 (II) For the hours of work performed by skilled journeypersons
24 employed by the contractor or subcontractor on the contract or
25 project, the percentage of hours performed by skilled
26 journeypersons is at least equal to 60 percent.

27 (iv) This subparagraph does not apply to a contractor or
28 subcontractor if, during the calendar month, the contractor or
29 subcontractor employs skilled journeypersons to perform fewer
30 than 10 hours of work on the contract or project.

31 (v) This subparagraph does not apply to a subcontractor if both
32 of the following are true:

33 (I) The subcontractor is not a listed subcontractor in the
34 investment grade audit or a substitute for a listed subcontractor.

35 (II) The subcontract does not exceed one-half of 1 percent of
36 the price of the prime contract.

37 (9) "Skilled journeyperson" means a worker who is being paid
38 at least the prevailing rate or per diem wages published by the
39 Department of Industrial Relations for the occupation and
40 geographic area and who either:

1 (A) Graduated from an apprenticeship program that was either
2 approved by the chief pursuant to Section 3075 of the Labor Code,
3 or an apprenticeship program located outside the state that is
4 approved pursuant to the apprenticeship regulations adopted by
5 the United States Secretary of Labor, for the applicable occupation.

6 (B) Has at least as many hours of on-the-job training experience
7 in the applicable occupation as would be required to graduate from
8 an apprenticeship program for the applicable occupation that is
9 approved by the chief.

10 (b) (1) The department or any other state agency intending to
11 enter into an energy savings contract for an energy retrofit project
12 may establish one or more pools of qualified energy services
13 companies based on qualification, experience, pricing, or other
14 pertinent factors. The department or state agency may select a
15 qualified energy service company identified in the pool for a
16 contract for a specific energy retrofit project on a rotational basis.

17 (2) The department or state agency has the exclusive authority
18 to reject the plan or proposal of a qualified energy service company
19 selected for an energy retrofit project pursuant to paragraph (1)
20 and may continue the selection process until a satisfactory proposal
21 is identified.

22 (c) (1) A qualified energy service company working on an
23 energy retrofit project shall submit to the department or state
24 agency, as appropriate, on a monthly basis, a report demonstrating
25 compliance with this section.

26 (2) If the qualified energy service company fails to submit the
27 monthly report or submits a report that is incomplete, the
28 department or state agency, as appropriate, shall withhold further
29 payments until a complete report is submitted.

30 (3) The monthly report is a public record under the California
31 Public Records Act (Chapter 3.5 (commencing with Section 6250)
32 of Division 7 of Title 1 of the Government Code) and shall be
33 available for public inspection.

34 (d) Prior to performing an investment grade audit, the
35 department or other state agency shall provide a public notification
36 that includes the project location, assigned energy services
37 company, and the appropriate contact information on the
38 department's Internet Web site.

39 (e) Subparagraph (B) of paragraph (7) of subdivision (a) and
40 subdivision (c) do not apply if either of the following applies:

1 (1) The department or state agency, as appropriate, has entered
2 into a project labor agreement, as defined in paragraph (1) of
3 subdivision (b) of Section 2500 of the Public Contract Code, that
4 will bind all contractors and subcontractors performing work on
5 the project or contract and the entity agrees to be bound by that
6 project labor agreement.

7 (2) The entity has entered into a project labor agreement, as
8 defined in paragraph (1) of subdivision (b) of Section 2500 of the
9 Public Contract Code, that will bind the entity and all contractors
10 and subcontractors at every tier performing the project or contract.

11 (f) Subparagraph (B) of paragraph (7) of subdivision (a) and
12 subdivision (c) do not apply to work performed by the California
13 Conservation Corps that is nontrades and nonconstruction related.

14 (g) This section is not intended to waive other terms and
15 conditions applicable to a state contract for an energy retrofit
16 project.

17 (h) This section shall remain in effect only until January 1, 2020,
18 and as of that date is repealed, unless a later enacted statute, that
19 is enacted before January 1, 2020, deletes or extends that date.

20 SEC. 10. Section 399.20 of the Public Utilities Code is
21 amended to read:

22 399.20. (a) It is the policy of this state and the intent of the
23 Legislature to encourage electrical generation from eligible
24 renewable energy resources.

25 (b) As used in this section, “electric generation facility” means
26 an electric generation facility located within the service territory
27 of, and developed to sell electricity to, an electrical corporation
28 that meets all of the following criteria:

29 (1) Has an effective capacity of not more than three megawatts.

30 (2) Is interconnected and operates in parallel with the electrical
31 transmission and distribution grid.

32 (3) Is strategically located and interconnected to the electrical
33 transmission and distribution grid in a manner that optimizes the
34 deliverability of electricity generated at the facility to load centers.

35 (4) Is an eligible renewable energy resource.

36 (c) Every electrical corporation shall file with the commission
37 a standard tariff for electricity purchased from an electric
38 generation facility. The commission may modify or adjust the
39 requirements of this section for any electrical corporation with less

1 than 100,000 service connections, as individual circumstances
2 merit.

3 (d) (1) The tariff shall provide for payment for every
4 kilowatthour of electricity purchased from an electric generation
5 facility for a period of 10, 15, or 20 years, as authorized by the
6 commission. The payment shall be the market price determined
7 by the commission pursuant to paragraph (2) and shall include all
8 current and anticipated environmental compliance costs, including,
9 but not limited to, mitigation of emissions of greenhouse gases
10 and air pollution offsets associated with the operation of new
11 generating facilities in the local air pollution control or air quality
12 management district where the electric generation facility is
13 located.

14 (2) The commission shall establish a methodology to determine
15 the market price of electricity for terms corresponding to the length
16 of contracts with an electric generation facility, in consideration
17 of the following:

18 (A) The long-term market price of electricity for fixed price
19 contracts, determined pursuant to an electrical corporation's general
20 procurement activities as authorized by the commission.

21 (B) The long-term ownership, operating, and fixed-price fuel
22 costs associated with fixed-price electricity from new generating
23 facilities.

24 (C) The value of different electricity products including
25 baseload, peaking, and as-available electricity.

26 (3) The commission may adjust the payment rate to reflect the
27 value of every kilowatthour of electricity generated on a
28 time-of-delivery basis.

29 (4) The commission shall ensure, with respect to rates and
30 charges, that ratepayers that do not receive service pursuant to the
31 tariff are indifferent to whether a ratepayer with an electric
32 generation facility receives service pursuant to the tariff.

33 (e) An electrical corporation shall provide expedited
34 interconnection procedures to an electric generation facility located
35 on a distribution circuit that generates electricity at a time and in
36 a manner so as to offset the peak demand on the distribution circuit,
37 if the electrical corporation determines that the electric generation
38 facility will not adversely affect the distribution grid. The
39 commission shall consider and may establish a value for an electric
40 generation facility located on a distribution circuit that generates

1 electricity at a time and in a manner so as to offset the peak demand
2 on the distribution circuit.

3 (f) (1) An electrical corporation shall make the tariff available
4 to the owner or operator of an electric generation facility within
5 the service territory of the electrical corporation, upon request, on
6 a first-come-first-served basis, until the electrical corporation meets
7 its proportionate share of a statewide cap of 750 megawatts
8 cumulative rated generation capacity served under this section and
9 Section 387.6. The proportionate share shall be calculated based
10 on the ratio of the electrical corporation's peak demand compared
11 to the total statewide peak demand.

12 (2) By June 1, 2013, the commission shall, in addition to the
13 750 megawatts identified in paragraph (1), direct the electrical
14 corporations to collectively procure at least 250 megawatts of
15 cumulative rated generating capacity from developers of bioenergy
16 projects that commence operation on or after June 1, 2013. The
17 commission shall, for each electrical corporation, allocate shares
18 of the additional 250 megawatts based on the ratio of each electrical
19 corporation's peak demand compared to the total statewide peak
20 demand. In implementing this paragraph, the commission shall do
21 all of the following:

22 (A) Allocate the 250 megawatts identified in this paragraph
23 among the electrical corporations based on the following
24 categories:

25 (i) For biogas from wastewater treatment, municipal organic
26 waste diversion, food processing, and codigestion, 110 megawatts.

27 (ii) For dairy and other agricultural bioenergy, 90 megawatts.

28 (iii) For bioenergy using byproducts of sustainable forest
29 management, 50 megawatts. Allocations under this category shall
30 be determined based on the proportion of bioenergy that sustainable
31 forest management providers derive from sustainable forest
32 management in fire threat treatment areas, as designated by the
33 Department of Forestry and Fire Protection.

34 (B) Direct the electrical corporations to develop standard
35 contract terms and conditions that reflect the operational
36 characteristics of the projects, and to provide a streamlined
37 contracting process.

38 (C) Coordinate, to the maximum extent feasible, any incentive
39 or subsidy programs for bioenergy with the agencies listed in
40 subparagraph (A) of paragraph (3) in order to provide maximum

1 benefits to ratepayers and to ensure that incentives are used to
2 reduce contract prices.

3 (D) The commission shall encourage gas and electrical
4 corporations to develop and offer programs and services to facilitate
5 development of in-state biogas for a broad range of purposes.

6 (3) (A) The commission, in consultation with the State Energy
7 Resources Conservation and Development Commission, the State
8 Air Resources Board, the Department of Forestry and Fire
9 Protection, the Department of Food and Agriculture, and the
10 Department of Resources Recycling and Recovery, may review
11 the allocations of the 250 additional megawatts identified in
12 paragraph (2) to determine if those allocations are appropriate.

13 (B) If the commission finds that the allocations of the 250
14 additional megawatts identified in paragraph (2) are not
15 appropriate, the commission may reallocate the 250 megawatts
16 among the categories established in subparagraph (A) of paragraph
17 (2).

18 (4) (A) A project identified in clause (iii) of subparagraph (A)
19 of paragraph (2) is eligible, in regards to interconnection, for the
20 tariff established to implement paragraph (2) or to participate in
21 any program or auction established to implement paragraph (2),
22 if it meets at least one of the following requirements:

23 (i) The project is already interconnected.

24 (ii) The project has been found to be eligible for interconnection
25 pursuant to the fast track process under the relevant tariff.

26 (iii) A system impact study or other interconnection study has
27 been completed for the project under the relevant tariff, and there
28 was no determination in the study that, with the identified
29 interconnection upgrades, if any, a condition specified in paragraph
30 (2), (3), or (4) of subdivision (n) would exist. Such a project is not
31 required to have a pending, active interconnection application to
32 be eligible.

33 (B) For a project meeting the eligibility requirements pursuant
34 to clause (iii) of subparagraph (A) of this paragraph, both of the
35 following apply:

36 (i) The project is hereby deemed to be able to interconnect
37 within the required time limits for the purpose of determining
38 eligibility for the tariff.

39 (ii) The project shall submit a new application for
40 interconnection within 30 days of execution of a standard contract

1 pursuant to the tariff if it does not have a pending, active
2 interconnection application or a completed interconnection. For
3 those projects, the time to achieve commercial operation shall
4 begin to run from the date when the new system impact study or
5 other interconnection study is completed rather than from the date
6 of execution of the standard contract.

7 (5) For the purposes of this subdivision, “bioenergy” means
8 biogas and biomass.

9 (g) The electrical corporation may make the terms of the tariff
10 available to owners and operators of an electric generation facility
11 in the form of a standard contract subject to commission approval.

12 (h) Every kilowatthour of electricity purchased from an electric
13 generation facility shall count toward meeting the electrical
14 corporation’s renewables portfolio standard annual procurement
15 targets for purposes of paragraph (1) of subdivision (b) of Section
16 399.15.

17 (i) The physical generating capacity of an electric generation
18 facility shall count toward the electrical corporation’s resource
19 adequacy requirement for purposes of Section 380.

20 (j) (1) The commission shall establish performance standards
21 for any electric generation facility that has a capacity greater than
22 one megawatt to ensure that those facilities are constructed,
23 operated, and maintained to generate the expected annual net
24 production of electricity and do not impact system reliability.

25 (2) The commission may reduce the three megawatt capacity
26 limitation of paragraph (1) of subdivision (b) if the commission
27 finds that a reduced capacity limitation is necessary to maintain
28 system reliability within that electrical corporation’s service
29 territory.

30 (k) (1) Any owner or operator of an electric generation facility
31 that received ratepayer-funded incentives in accordance with
32 Section 379.6 of this code, or with Section 25782 of the Public
33 Resources Code, and participated in a net metering program
34 pursuant to Sections 2827, 2827.9, and 2827.10 of this code prior
35 to January 1, 2010, shall be eligible for a tariff or standard contract
36 filed by an electrical corporation pursuant to this section.

37 (2) In establishing the tariffs or standard contracts pursuant to
38 this section, the commission shall consider ratepayer-funded
39 incentive payments previously received by the generation facility
40 pursuant to Section 379.6 of this code or Section 25782 of the

Public Resources Code. The commission shall require reimbursement of any funds received from these incentive programs to an electric generation facility, in order for that facility to be eligible for a tariff or standard contract filed by an electrical corporation pursuant to this section, unless the commission determines ratepayers have received sufficient value from the incentives provided to the facility based on how long the project has been in operation and the amount of renewable electricity previously generated by the facility.

(3) A customer that receives service under a tariff or contract approved by the commission pursuant to this section is not eligible to participate in any net metering program.

(l) An owner or operator of an electric generation facility electing to receive service under a tariff or contract approved by the commission shall continue to receive service under the tariff or contract until either of the following occurs:

(1) The owner or operator of an electric generation facility no longer meets the eligibility requirements for receiving service pursuant to the tariff or contract.

(2) The period of service established by the commission pursuant to subdivision (d) is completed.

(m) Within 10 days of receipt of a request for a tariff pursuant to this section from an owner or operator of an electric generation facility, the electrical corporation that receives the request shall post a copy of the request on its Internet Web site. The information posted on the Internet Web site shall include the name of the city in which the facility is located, but information that is proprietary and confidential, including, but not limited to, address information beyond the name of the city in which the facility is located, shall be redacted.

(n) An electrical corporation may deny a tariff request pursuant to this section if the electrical corporation makes any of the following findings:

(1) The electric generation facility does not meet the requirements of this section.

(2) The transmission or distribution grid that would serve as the point of interconnection is inadequate.

(3) The electric generation facility does not meet all applicable state and local laws and building standards and utility interconnection requirements.

1 (4) The aggregate of all electric generating facilities on a
2 distribution circuit would adversely impact utility operation and
3 load restoration efforts of the distribution system.

4 (o) Upon receiving a notice of denial from an electrical
5 corporation, the owner or operator of the electric generation facility
6 denied a tariff pursuant to this section shall have the right to appeal
7 that decision to the commission.

8 (p) In order to ensure the safety and reliability of electric
9 generation facilities, the owner of an electric generation facility
10 receiving a tariff pursuant to this section shall provide an inspection
11 and maintenance report to the electrical corporation at least once
12 every other year. The inspection and maintenance report shall be
13 prepared at the owner's or operator's expense by a
14 California-licensed contractor who is not the owner or operator of
15 the electric generation facility. A California-licensed electrician
16 shall perform the inspection of the electrical portion of the
17 generation facility.

18 (q) The contract between the electric generation facility
19 receiving the tariff and the electrical corporation shall contain
20 provisions that ensure that construction of the electric generating
21 facility complies with all applicable state and local laws and
22 building standards, and utility interconnection requirements.

23 (r) (1) All construction and installation of facilities of the
24 electrical corporation, including at the point of the output meter
25 or at the transmission or distribution grid, shall be performed only
26 by that electrical corporation.

27 (2) All interconnection facilities installed on the electrical
28 corporation's side of the transfer point for electricity between the
29 electrical corporation and the electrical conductors of the electric
30 generation facility shall be owned, operated, and maintained only
31 by the electrical corporation. The ownership, installation, operation,
32 reading, and testing of revenue metering equipment for electric
33 generating facilities shall only be performed by the electrical
34 corporation.

35 SEC. 11. Section 784.1 is added to the Public Utilities Code,
36 to read:

37 784.1. (a) The Legislature requests that the California Council
38 on Science and Technology undertake and complete a study
39 analyzing the regional and gas corporation specific issues relating
40 to minimum heating value and maximum siloxane specifications

1 for biomethane before it can be injected into common carrier gas
2 pipelines, including those specifications adopted in Sections 4.4.3.3
3 and 4.4.4 of commission Decision 14-01-034 (January 16, 2014),
4 Decision Regarding the Biomethane Implementation Tasks in
5 Assembly Bill 1900. The study shall consider and evaluate other
6 states' standards, the source of biomethane, the dilution of
7 biomethane after it is injected into the pipeline, the equipment and
8 technology upgrades required to meet the minimum heating value
9 specifications, including the impacts of those specifications on the
10 cost, volume of biomethane sold, equipment operation, and safety.
11 The study shall also consider whether different sources of biogas
12 should have different standards or if all sources should adhere to
13 one standard for the minimum heating value and maximum
14 permissible level of siloxanes. The study shall develop the best
15 science reasonably available and not merely be a literature review.
16 In order to meet the state's goals for reducing emissions of
17 greenhouse gases and short-lived climate pollutants and the state's
18 goals for promoting the use of renewable energy resources in place
19 of burning fossil fuels, the California Council on Science and
20 Technology, if it agrees to undertake and complete the study, shall
21 complete the study within nine months of entering into a contract
22 to undertake and complete the study.

23 (b) (1) If the California Council on Science and Technology
24 agrees to undertake and complete the study pursuant to subdivision
25 (a), the commission shall require each gas corporation operating
26 common carrier pipelines in California to proportionately
27 contribute to the expenses to undertake the study pursuant to
28 Sections 740 and 740.1. The commission may modify the monetary
29 incentives made available pursuant to commission Decision
30 15-06-029 (June 11, 2015), Decision Regarding the Costs of
31 Compliance with Decision 14-01-034 and Adoption of Biomethane
32 Promotion Policies and Program, to allocate some of the moneys
33 that would be made available for incentives to instead be made
34 available to pay for the costs of the study so as to not further burden
35 ratepayers with additional expense.

36 (2) The commission's authority pursuant to paragraph (1) shall
37 apply notwithstanding whether the gas corporation has proposed
38 the program pursuant to Section 740.1.

39 (c) If the California Council on Science and Technology agrees
40 to undertake and complete the study pursuant to subdivision (a),

1 within six months of its completion, the commission shall
2 reevaluate its requirements and standards adopted pursuant to
3 Section 25421 of the Health and Safety Code relative to the
4 requirements and standards for biomethane to be injected into
5 common carrier pipelines and, if appropriate, change those
6 requirements and standards or adopt new requirements and
7 standards, giving due deference to the conclusions and
8 recommendations made in the study by the California Council on
9 Science and Technology.

10 SEC. 12. Section 2827.10 of the Public Utilities Code is
11 amended to read:

12 2827.10. (a) As used in this section, the following terms have
13 the following meanings:

14 (1) “Electrical corporation” means an electrical corporation, as
15 defined in Section 218.

16 (2) “Eligible fuel cell electrical generating facility” means a
17 facility that includes the following:

18 (A) Integrated powerplant systems containing a stack, tubular
19 array, or other functionally similar configuration used to
20 electrochemically convert fuel to electricity.

21 (B) An inverter and fuel processing system where necessary.

22 (C) Other plant equipment, including heat recovery equipment,
23 necessary to support the plant’s operation or its energy conversion.

24 (3) (A) “Eligible fuel cell customer-generator” means a
25 customer of an electrical corporation that meets all the following
26 criteria:

27 (i) Uses a fuel cell electrical generating facility *with a generating*
28 *capacity of not more than five megawatts* that is located on or
29 adjacent to the customer’s owned, leased, or rented premises, is
30 interconnected and operates in parallel with the electrical grid
31 while the grid is operational or in a grid independent mode when
32 the grid is nonoperational, and is sized to offset part or all of the
33 eligible fuel cell customer-generator’s own electrical requirements.

34 (ii) Is the recipient of local, state, or federal funds, or who
35 self-finances projects designed to encourage the development of
36 eligible fuel cell electrical generating facilities.

37 (iii) Uses technology the commission has determined will
38 achieve reductions in emissions of greenhouse gases pursuant to
39 subdivision (b).

1 (B) Complies with the emissions standards adopted by the State
2 Air Resources Board pursuant to the distributed generation
3 certification program requirements of Section 94203 of Title 17
4 of the California Code Regulations, or any successor regulation.

5 (C) For purposes of this paragraph, a person or entity is a
6 customer of the electrical corporation if the customer is physically
7 located within the service territory of the electrical corporation
8 and receives bundled service, distribution service, or transmission
9 service from the electrical corporation.

10 (4) “Net energy metering” means measuring the difference
11 between the electricity supplied through the electrical grid and the
12 difference between the electricity generated by an eligible fuel cell
13 electrical generating facility and fed back to the electrical grid over
14 a 12-month period as described in subdivision (e). Net energy
15 metering shall be accomplished using a time-of-use meter capable
16 of registering the flow of electricity in two directions. If the existing
17 electrical meter of an eligible fuel cell customer-generator is not
18 capable of measuring the flow of electricity in two directions, the
19 eligible fuel cell customer-generator shall be responsible for all
20 expenses involved in purchasing and installing a meter that is able
21 to measure electricity flow in two directions. If an additional meter
22 or meters are installed, the net energy metering calculation shall
23 yield a result identical to that of a time-of-use meter.

24 (b) (1) Not later than March 31, 2017, the State Air Resources
25 Board, in consultation with the Energy Commission, shall establish
26 a schedule of annual greenhouse gas emissions reduction standards
27 for a fuel cell electrical generation resource for purposes of clause
28 (iii) of subparagraph (A) of paragraph (3) of subdivision (a) and
29 shall update the schedule every three years with applicable
30 standards for each intervening year.

31 (2) The greenhouse gas emissions reduction standards shall
32 ensure that each fuel cell electrical generation resource, for
33 purposes of clause (iii) of subparagraph (A) of paragraph (3) of
34 subdivision (a), reduces greenhouse gas emissions compared to
35 the electrical grid resources, including renewable resources, that
36 the fuel cell electrical generation resource displaces, accounting
37 for both procurement and operation of the electrical grid.

38 (c) (1) Every electrical corporation, not later than March 1,
39 2004, shall file with the commission a standard tariff providing
40 for net energy metering for eligible fuel cell customer-generators,

1 consistent with this section. Subject to the limitation in subdivision
2 (e), every electrical corporation shall make this tariff available to
3 eligible fuel cell customer-generators upon request, on a
4 first-come-first-served basis, until the total cumulative rated
5 generating capacity of the eligible fuel cell electrical generating
6 facilities receiving service pursuant to the tariff, in addition to the
7 installed capacity as of January 1, 2017, reaches a level equal to
8 its proportionate share of a statewide limitation of 500 megawatts
9 cumulative rated generation capacity served under this section.
10 The proportionate share shall be calculated based on the ratio of
11 the electrical corporation's peak demand compared to the total
12 statewide peak demand.

13 (2) To continue the growth of the market for onsite electrical
14 generation using fuel cells, the commission may review and
15 incrementally raise the limitation established in paragraph (1) on
16 the total cumulative rated generating capacity of the eligible fuel
17 cell electrical generating facilities receiving service pursuant to
18 the tariff in paragraph (1).

19 ~~(3) Only the first five megawatts of a facility's capacity shall~~
20 ~~be eligible for the tariff established pursuant to this section.~~

21 (e)
22 (d) In determining the eligibility for the cumulative rated
23 generating capacity within an electrical corporation's service
24 territory, preference shall be given to facilities that, at the time of
25 installation, are located in a community with significant exposure
26 to air contaminants or localized air contaminants, or both,
27 including, but not limited to, communities of minority populations
28 or low-income populations, or both, based on the ambient air
29 quality standards established pursuant to Division 26 (commencing
30 with Section 39000) of the Health and Safety Code.

31 (e) (1) Each net energy metering contract or tariff shall be
32 identical, with respect to rate structure, all retail rate components,
33 and any monthly charges, to the contract or tariff to which the
34 customer would be assigned if the customer was not an eligible
35 fuel cell customer-generator. Any new or additional demand
36 charge, standby charge, customer charge, minimum monthly
37 charge, interconnection charge, or other charge that would increase
38 an eligible fuel cell customer-generator's costs beyond those of
39 other customers in the rate class to which the eligible fuel cell
40 customer-generator would otherwise be assigned are contrary to

1 the intent of the Legislature in enacting this section, and shall not
2 form a part of net energy metering tariffs.

3 (2) The commission shall authorize an electrical corporation to
4 charge a fuel cell customer-generator a fee based on the cost to
5 the utility associated with providing interconnection inspection
6 services for that fuel cell customer-generator.

7 (f) The net metering calculation shall be made by measuring
8 the difference between the electricity supplied to the eligible fuel
9 cell customer-generator and the electricity generated by the eligible
10 fuel cell customer-generator and fed back to the electrical grid
11 over a 12-month period. The following rules shall apply to the
12 annualized metering calculation:

13 (1) The eligible fuel cell customer-generator shall, at the end
14 of each 12-month period following the date of final interconnection
15 of the eligible fuel cell electrical generating facility with an
16 electrical corporation, and at each anniversary date thereafter, be
17 billed for electricity used during that period. The electrical
18 corporation shall determine if the eligible fuel cell
19 customer-generator was a net consumer or a net producer of
20 electricity during that period. For purposes of determining if the
21 eligible fuel cell customer-generator was a net consumer or a net
22 producer of electricity during that period, the electrical corporation
23 shall aggregate the electrical load of the meters located on the
24 property where the eligible fuel cell electrical generating facility
25 is located and on all property adjacent or contiguous to the property
26 on which the facility is located, if those properties are solely
27 owned, leased, or rented by the eligible fuel cell
28 customer-generator. Each aggregated account shall be billed and
29 measured according to a time-of-use rate schedule.

30 (2) At the end of each 12-month period, where the electricity
31 supplied during the period by the electrical corporation exceeds
32 the electricity generated by the eligible fuel cell customer-generator
33 during that same period, the eligible fuel cell customer-generator
34 is a net electricity consumer and the electrical corporation shall
35 be owed compensation for the eligible fuel cell
36 customer-generator's net kilowatthour consumption over that same
37 period. The compensation owed for the eligible fuel cell
38 customer-generator's consumption shall be calculated as follows:

39 (A) The generation charges for any net monthly consumption
40 of electricity shall be calculated according to the terms of the tariff

1 to which the same customer would be assigned to or be eligible
2 for if the customer was not an eligible fuel cell customer-generator.
3 When the eligible fuel cell customer-generator is a net generator
4 during any discrete time-of-use period, the net kilowatthours
5 produced shall be valued at the same price per kilowatthour as the
6 electrical corporation would charge for retail kilowatthour sales
7 for generation, exclusive of any surcharges, during that same
8 time-of-use period. If the eligible fuel cell customer-generator's
9 time-of-use electrical meter is unable to measure the flow of
10 electricity in two directions, paragraph (4) of subdivision (a) shall
11 apply. All other charges, other than generation charges, shall be
12 calculated in accordance with the eligible fuel cell
13 customer-generator's applicable tariff and based on the total
14 kilowatthours delivered by the electrical corporation to the eligible
15 fuel cell customer-generator. To the extent that charges for
16 transmission and distribution services are recovered through
17 demand charges in any particular month, no standby reservation
18 charges shall apply in that monthly billing cycle.

19 (B) The net balance of moneys owed shall be paid in accordance
20 with the electrical corporation's normal billing cycle.

21 (3) At the end of each 12-month period, where the electricity
22 generated by the eligible fuel cell customer-generator during the
23 12-month period exceeds the electricity supplied by the electrical
24 corporation during that same period, the eligible fuel cell
25 customer-generator is a net electricity producer and the electrical
26 corporation shall retain any excess kilowatthours generated during
27 the prior 12-month period. The eligible fuel cell customer-generator
28 shall not be owed any compensation for those excess kilowatthours.

29 (4) If an eligible fuel cell customer-generator terminates service
30 with the electrical corporation, the electrical corporation shall
31 reconcile the eligible fuel cell customer-generator's consumption
32 and production of electricity during any 12-month period.

33 (g) A fuel cell electrical generating facility shall not be eligible
34 for the tariff unless it commences operation on or before December
35 31, 2021, unless a later enacted statute, that is chaptered on or
36 before December 31, 2021, extends this eligibility commencement
37 date. The tariff shall remain in effect for an eligible fuel cell
38 electrical generating facility that commences operation pursuant
39 to the tariff on or before December 31, 2021. A fuel cell
40 customer-generator shall be eligible for the tariff established

1 pursuant to this section only for the operating life of the eligible
2 fuel cell electrical generating facility.

3 SEC. 13. Section 2834 of the Public Utilities Code is repealed.

4 SEC. 14. (a) By March 31, 2017, the Public Utilities
5 Commission shall report to the relevant policy and fiscal
6 committees of the Legislature on its business process inventory
7 efforts. The report shall include documentation and measurement
8 of commission processes, including administrative and monitoring
9 processes shaped by law and judicial review, program performance
10 and communications pursuant to the commission's rules and
11 procedures, and internal processes related to administration and
12 managing human resources.

13 (b) The report shall be submitted in compliance with Section
14 9795 of the Government Code.

15 (c) Pursuant to Section 10231.5 of the Government Code, this
16 section is repealed on April 1, 2021.

17 SEC. 15. (a) By March 31, 2017, the Public Utilities
18 Commission shall report to the relevant policy and fiscal
19 committees of the Legislature on options to locate operations and
20 staff outside of the commission's San Francisco headquarters. The
21 report shall explore options for leveraging additional facilities in
22 areas of the state, including Sacramento, that would allow the
23 commission to collaborate with other state entities and provide
24 staff more opportunities for training, career development, and
25 exchange placements with other state entities. The report shall do
26 both of the following:

27 (1) Consider categories of operations in different offices.

28 (2) Analyze recruitment and retention, salary disparities by
29 location based on duty statements, and costs associated with using
30 locations outside of San Francisco with no, or minimal, disruption
31 of current commission employees.

32 (b) The commission shall conduct one or more public workshops
33 to obtain suggestions, concerns, ideas, and comments from
34 stakeholders and interested members of the public in furtherance
35 of the purpose of the report.

36 (c) (1) The report shall be submitted in compliance with Section
37 9795 of the Government Code.

38 (2) Pursuant to Section 10231.5 of the Government Code, this
39 section is repealed on April 1, 2021.

1 SEC. 16. The sum of two hundred seventy-five thousand dollars
2 (\$275,000) is hereby appropriated from the Appliance Efficiency
3 Enforcement Subaccount in the Energy Resources Programs
4 Account to the State Energy Resources Conservation and
5 Development Commission to support the Title 20 Appliance
6 Efficiency Standards Compliance Assistance and Enforcement
7 Program.

8 SEC. 17. The Legislature finds and declares all of the following
9 regarding Section 11 of this act:

10 (a) California imports 91 percent of its natural gas, which is
11 responsible for 25 percent of the state's emissions of greenhouse
12 gases.

13 (b) California made a commitment to address climate change
14 with the California Global Warming Solutions Act of 2006
15 (Division 25.5 (commencing with Section 38500) of the Health
16 and Safety Code) and the adoption of a comprehensive strategy to
17 reduce emissions of short-lived climate pollutants (Chapter 4.2
18 (commencing with Section 39730) of Part 2 of Division 26 of the
19 Health and Safety Code). For California to meet its goals for
20 reducing emissions of greenhouse gases and short-lived climate
21 pollutants, the state must reduce emissions from the natural gas
22 sector and increase the production and distribution of renewable
23 and low-carbon gas supplies.

24 (c) Biomethane is gas generated from organic waste through
25 anaerobic digestion, gasification, pyrolysis, or other conversion
26 technology that converts organic matter to gas. Biomethane may
27 be produced from multiple sources, including agricultural waste,
28 forest waste, landfill gas, wastewater treatment byproducts, and
29 diverted organic waste.

30 (d) Biomethane provides a sustainable and clean alternative to
31 natural gas. If 10 percent of California's natural gas use were to
32 be replaced with biomethane use, emissions of greenhouse gases
33 would be reduced by tens of millions of metric tons of carbon
34 dioxide equivalent every year.

35 (e) Investing in biomethane would create cobenefits, including
36 flexible generation of electricity from a renewable source that is
37 available 24 hours a day, reduction of fossil fuel use, reduction of
38 air and water pollution, and new jobs.

39 (f) Biomethane can also be used as transportation fuel or injected
40 into natural gas pipelines for other uses. The most appropriate use

1 of biomethane varies depending on the source, proximity to existing
2 natural gas pipeline injection points or large vehicle fleets, and the
3 circumstances of existing facilities.

4 (g) The biomethane market has been slow to develop in
5 California because the collection, purification, and pipeline
6 injection of biomethane can be costly.

7 (h) Biomethane is poised to play a key role in future natural gas
8 and hydrogen fuel markets as a blendstock that can significantly
9 reduce the carbon footprint of these two fossil-based alternative
10 fuels.

11 (i) Biomethane is one of the most promising alternative vehicle
12 fuels because it generates the least net emissions of greenhouse
13 gases. According to the low-carbon fuel standard regulations
14 (Subarticle 7 (commencing with Section 95480) of Article 4 of
15 Subchapter 10 of Chapter 1 of Division 3 of Title 17 of the
16 California Code of Regulations) adopted by the State Air Resources
17 Board, vehicles running on biomethane generate significantly
18 lower emissions of greenhouse gases than vehicles running on
19 electricity or fossil fuel-derived hydrogen.

20 (j) The California Council on Science and Technology was
21 established by California academic research institutions, including
22 the University of California, the University of Southern California,
23 the California Institute of Technology, Stanford University, and
24 the California State University, and was organized as a nonprofit
25 corporation pursuant to Section 501(c)(3) of the Internal Revenue
26 Code, in response to Assembly Concurrent Resolution No. 162
27 (Resolution Chapter 148 of the Statutes of 1988).

28 (k) The California Council on Science and Technology was
29 uniquely established at the request of the Legislature for the
30 specific purpose of offering expert advice to state government on
31 public policy issues significantly related to science and technology.

32 (l) It is in the public's interests, and in the interest of ratepayers
33 of the state's gas corporations, that the policies and programs
34 adopted by the Public Utilities Commission be guided by the best
35 science reasonably available.

36 SEC. 18. No reimbursement is required by this act pursuant to
37 Section 6 of Article XIII B of the California Constitution because
38 the only costs that may be incurred by a local agency or school
39 district will be incurred because this act creates a new crime or
40 infraction, eliminates a crime or infraction, or changes the penalty

1 for a crime or infraction, within the meaning of Section 17556 of
2 the Government Code, or changes the definition of a crime within
3 the meaning of Section 6 of Article XIII B of the California
4 Constitution.

5 SEC. 19. This act is a bill providing for appropriations related
6 to the Budget Bill within the meaning of subdivision (e) of Section
7 12 of Article IV of the California Constitution, has been identified
8 as related to the budget in the Budget Bill, and shall take effect
9 immediately.

O